

plan on CNN Inside Politics, August 18, 1999, "It is not an issue of the heart with the American people today. They want a tax cut, but they don't feel a need for one."

This is exactly right. The American people want some form of tax relief, but not an extreme risky scheme as proposed by the Republican leadership. Instead of saving the American people money, the Republican plan squanders the surplus on a fiscally irresponsible \$3 trillion tax cut that would risk America's economic growth and explode the deficit.

The Democrats are prepared to work with the Republicans on a sensible alternative, but the Republican leadership refuses to put the best interest of the American people first. Why, you may ask? Chief GOP fundraiser, Representative TOM DAVIS responded thusly to the prospect of moderating the Republican's risky tax scheme in order to come closer to the Democrats plan for targeted tax relief as opposed to massive cuts:

"We (Republicans) think cutting a deal is not worth it. The issue has been a big money-raiser for us." (Washington Times, 9/6/99)

Instead, of partisan politics, the Republicans should work with the Democrats in a bipartisan way. We need to pursue a sound fiscal policy by using the surplus to pay down the national debt. We also need to continue on the path of debt reduction that will keep our interest rates low, sustain the current economic expansion, and allow the private sector to create good, high paying jobs.

Where the Republican leadership seems content to pander to their wealthy, special interest contributors, the Democrats seek to target our tax cuts to middle-class families. We need to help America's families to save some of their earnings for retirement and for their children's future and to make it easier for them to address the long-term care needs of their elderly parents. We urge our Republican colleagues to reject their leadership's risky tax scheme and opt for more pragmatic legislative tax relief.

Next week, the House will finally be permitted to debate the Shays-Meehan Bipartisan Campaign Finance Bill. The GOP will attempt to kill this bill through poison-pill amendments, but the Democrats will continue the fight for meaningful reform.

Rather than enacting irresponsible tax cuts that have no chance of being enacted into law, the Republicans should join the Democrats in enacting legislation that matters—legislation that will strengthen Medicare and provide prescription drug coverage, establish a comprehensive Patients Bill of Rights, help to keep our schools safe by enacting sensible gun-safety measures, and improve our education system through school construction and the reduction of class size.

THE POLITICAL FUTURES OF INDONESIA AND EAST TIMOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member rises tonight to comment on the crisis in East Timor and its broader implications for the political future of

Indonesia. This issue was a topic of a hearing of the Committee on International Relations' Subcommittee on Asia and the Pacific which this Member chairs today. It was held jointly with the subcommittee's Senate counterpart committee, and Indonesia and East Timor will undoubtedly be a major topic at the APEC summit President Clinton will be attending this weekend.

In the wake of the historic vote in East Timor, both Indonesia and East Timor face a future filled with portent. For Indonesia, the referendum comes at a time of very sensitive political maneuvering and a fragile economic recovery.

When the subcommittee last held hearings on Indonesia on May 12, we were anxiously awaiting the June 7 national election results. Despite some violence, a very slow vote count and a limited amount of election irregularities that election was nonetheless judged by the international community to be a success. It buoyed optimism about Indonesia's ability to overcome its profound political and economic crises. However, that June election also created new complexities. No one party achieved a majority, and, in fact, the opposition, PDIP led by Megawati Sukarnoputri won a plurality of the vote. Therefore, for the first time in modern Indonesian history political coalitions will be needed to form in order to elect a new president, form a new government, carry out further economic and political reforms, address the subject of rescinding the 1976 law which integrated East Timor into Indonesia as its 27th province and address separatist sentiments in other parts of Indonesia like the province of Aceh in northern Sumatra. Indeed this is a new experience for these relatively immature political forces in a democratic Indonesia. How they carry out these responsibilities will determine the legitimacy of the new Indonesian government as viewed by the eyes of the Indonesian public and by the international community.

Of course, the most obvious and immediate task is the crisis in East Timor. After years of Indonesian intransigence, President Habibie took bold steps towards resolving this longstanding problem. In January, he seemingly brushed aside the reservations of the military and others in the Indonesian society and surprised the world by offering the people of East Timor an opportunity to determine their own future through the ballot box. Many of us were encouraged by this bold and positive development. There was perhaps a general sense of guarded optimism prompted by the assurances of President Habibie and Armed Forces Chief General Wiranto that Jakarta would maintain order and create an environment conducive for a fair and safe election, but that proved not to be a real-

istic assessment. Despite increasing violence and intimidation by Indonesian militarily supported militia in the recent Timorese elections, a record 98.6 percent of registered voters turned out to vote with 78 percent of them choosing independence.

The will of the East Timorese people is clear and overwhelming. It is evident by the truly horrific events in East Timor over the past week that the Indonesian government and particularly the Indonesian military has been deliberately unwilling or perhaps in some cases unable to uphold their responsibilities to provide peace and security.

It must be emphasized that this is Indonesia's responsibility. Indonesia demanded this responsibility from the United Nations, and the international community entrusted it to Indonesia. It is reported the United Nations Secretary General Kofi Annan has made very strong representations to the Indonesian government about their obligations and the negative consequences Jakarta could face from the international community for jeopardizing the integrity and the subsequent implementation of the expressed citizens' desires of this U.N.-sponsored election. The United Nations General Assembly should do the same.

Mr. Speaker, I will report more on these events after the weekend and after we complete work on a resolution that we intend to offer on a bipartisan basis early next week.

AMERICAN PEOPLE ARE RENTING THEIR CURRENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, I would like to talk briefly about money. Everybody is interested in money. My wife asked me: If you know so much about money, how come we do not have very much? But I would like to talk about money this evening.

Did you know that we pay rent on our money; the cash we use, we pay rent on it? It costs the American people \$100 per person per year to rent our cash; that is, the paper money, from the Federal Reserve.

Now, the Federal Reserve gets the money, it just does not spend that money or keep it. They return it to the Federal Treasury. That means that the American people are paying a tax on our money in circulation for the privilege of using Federal Reserve notes. In reality, this money is paid to the Fed by the Treasury to pay the interest on the U.S. bonds that back our money.

This is a foolish system when the U.S. Treasury could issue our currency directly without debt and without interest as they issue our coins. Most people do not know that our coins are minted by the Treasury, essentially